

SCHEDULE OF MATTERS RESERVED TO THE BOARD AND SCHEME OF DELEGATION TO OFFICERS

Report by the Company Secretary

Summary

This report outlines proposals for amendment to the Board's Schedule of Matters Reserved to the Board and Scheme of Delegation to Officers (hereinafter referred to as the "Scheme of Delegation"). Review of the document, on a two yearly basis, was agreed by the Board at its meeting on 20 June 2013.

It is recommended that the Board agree:-

- i. the insertion of an additional section to the Scheme of Delegation as Part 1.8, as detailed in paragraph 3.3, and the Scheme's generic approach to the approval and implementation of Policies and Procedures;
- ii. any other amendments required at this time; and
- iii. that the Scheme of Delegation be reviewed again in June 2017.

1. This report supports the highlighted Business Outcomes from the High Life Highland (HLH) Business Plan:-

1. **To advance sustainable growth and financial sustainability**
2. Deliver the Service Delivery Contract with THC
3. Improving staff satisfaction
4. Improving customer satisfaction
5. **A positive company image**
6. Services designed around customers and through market opportunities
7. Sustain a good health and safety performance
8. A trusted partner

2. Background

2.1 The Scheme of Delegation was drawn up in early 2013 to clarify for Directors and Officers where responsibility lay for specific elements of High Life Highland's work. A number of amendments were made, prior to the Scheme of Delegation receiving formal approval by the Board at its meeting in June 2013. A copy of this approved Scheme of Delegation is provided as **Appendix 1**.

2.2 It was recognised that the Scheme of Delegation would evolve over time, as the work and role of High Life Highland similarly evolved, and that it should therefore be reviewed at two yearly intervals.

3. Proposed Amendments

3.1 The main change to the Scheme of Delegation – which is detailed in paragraph 3.3

below – is to add an additional section, Part 1.8, to reflect the discussion which took place at the Board's last meeting.

3.2 It will be recalled that the process adopted in the past was, where Highland Council had requested that High Life Highland adopt the management of further facilities or services, the Chief Executive reviewed the budget proposed for transfer, along with fit with existing business and when satisfied, proceeded with the adoption, reporting on the new business opportunity to the Board/Trading Company. When adoption of external facilities had been proposed, incurring significantly more risk to the company, a full business case had been considered by the Board, leading to a decision on adoption.

3.3 However, it is recognised that, in the interests of proper governance, the Scheme of Delegation should reflect current practice and it is proposed that the following wording be included:-

1.8 Management of properties new to HLH or the return of property to owner

1.8.1 The following matters are reserved to the Board:-

- i. Approval of the commencement of management or acquisition of property in the ownership of bodies other than The Highland Council
- ii. The ceasing of management or disposal of property, approval of revised staffing arrangements and return of property to owners

1.8.2 The Chief Executive is responsible for all other property matters, specifically:-

- i. Approval of the commencement of management of property in the ownership of The Highland Council with the transfer of property being reported to the Board for information
- ii. The ceasing of management of property, approval of revised staffing arrangements and return of property to The Highland Council

3.4 Furthermore, it is intended to have a more generic approach in relation to the approval and implementation of Policies and Procedures rather than try to keep the list of individual policies up to date as they are approved and the Scheme of Delegation has been amended to reflect this.

4. Implications

4.1 Resource Implications - there are no new resource implications arising from the recommendations of this report.

4.2 Legal Implications - there are no new legal implications arising from the recommendations of this report.

4.3 Risk Implications - there are no new risk implications arising from the recommendations of this report.

5. Recommendation

It is recommended that the Board agree:-

- i. the insertion of an additional section to the Scheme of Delegation as Part 1.8, as detailed in paragraph 3.3, and the Scheme's generic approach to the approval and implementation of Policies and Procedures;
- ii. any other amendments required at this time; and
- iii. that the Scheme of Delegation be reviewed again in June 2017.

Signature:

Designation: Company Secretary

Date: 1 June 2015

HIGH LIFE HIGHLAND

SCHEDULE OF MATTERS RESERVED TO THE BOARD AND SCHEME OF DELEGATION TO OFFICERS

Introduction

This document sets out the powers reserved to the Board of High Life Highland and the powers which may be delegated to the Chief Executive and it should be referred to as the "Scheme of Delegation".

It should be noted that the Board of High Life Highland remains accountable for all of its functions, even those delegated to the Chief Executive, and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

The Board will review the effectiveness of the Scheme every two years and make amendments as required.

Role of the Chief Executive

The Chief Executive is the accountable officer of High Life Highland and is responsible and accountable to the Board for discharging the functions specified in the Service Delivery Contract.

The Chief Executive has authority over all other employees so far as is necessary for efficient management and for carrying out High Life Highland's functions.

In discharging the functions of High Life Highland the Chief Executive may use whatever means considered appropriate. He/she must act within the law, the Financial Regulations and any Code of Practice adopted by the Board from time to time and have regard to the approved Business Plan and Service Delivery Contract with The Highland Council.

The Scheme of Delegation

1. Matters reserved for Board approval

1.1 Governance

1.1.1 The following matters are reserved to the Board:-

- i. Appointment of the Chair and Vice Chair
- ii. Appointment of Solicitors for High Life Highland
- iii. Review and approval of Standing Orders and the Scheme of Delegation
- iv. Approval of arrangements for dealing with complaints
- v. Approval of all High Life Highland policies
- vi. Approval of the timetable for Policy Review
- vii. Approval of the Freedom of Information Publication Scheme
- viii. Approval of the organisation's response to public consultations
- ix. Approval for proposals on litigation against or on behalf of High Life Highland that risk the reputation or financial vitality of High Life Highland
- x. Establishment and dissolution of committees with the exception of those detailed in the Memorandum and Articles of Association
- xi. Approval of procedures for the evaluation of the effectiveness of the Board
- xii. Review of the Register of Interests for Directors and staff
- xiii. Approval of the Directors and staff Code of Conduct and Guidance for the acceptance of Gifts and Hospitality

1.1.2 The Chief Executive is responsible for all other governance matters (with the exception of 1.1.3), specifically:-

- i. Acting as the Board's accountable officer
- ii. Implementation of the governance schemes and policies as agreed by the Board and review as per agreed timetable
- iii. Managing High Life Highland's operational buildings
- iv. Undertaking the review of internal controls and publication of a governance statement
- v. Ensuring that the performance of High Life Highland across The Highland Council area in relation to agreed standards is reported appropriately
- vi. Approval of proposals for action on litigation against or on behalf of High Life Highland and informing the Board at the earliest opportunity.

1.1.3 The Company Secretary is responsible for governance matters, as follows:-

- i. Recording and reporting on the Board's governance arrangements
- ii. To ensure proper governance documentation are in place e.g Register of Interests

- iii. To ensure the Company complies with required standards of corporate governance and can demonstrate open and transparent decision making and to advise the Board on such matters
- iv. To ensure all appropriate returns are made to Companies House
- v. To ensure proper administrative arrangements are in place to record meetings of the Board and Committees as detailed in the Memorandum and Articles of Association.

1.2 Strategy, plans and budgets

1.2.1 The following matters are reserved to the Board:-

- i. Definition of the Company's vision, mission, aims and objectives
- ii. Ownership of the Business Plan
- iii. Approval of the annual revenue and capital budget
- iv. Monitoring of performance and budget
- v. Approval of the organisation's policies and procedures for the management of risk
- vi. Approval of business cases requiring additional revenue and/or capital resources above approved budgets

1.2.2 The Chief Executive is responsible for all other strategy, planning and budgeting matters, specifically:-

- i. Preparation of the annual budget and controlling income and expenditure
- ii. Ensuring appropriate systems are in operation for planning, monitoring, evaluating and reviewing performance for all service areas
- iii. Preparation and effective and efficient delivery of the Business Plan
- iv. Advising the Board on strategic issues
- v. Undertaking a review of risks and maintenance of the risk register
- vi. Making long term assessments of resources, needs and commitments and to co-ordinate advice on forward planning
- vii. Advising the Board on general policy and to ensure that all proposals are consistent with policy
- viii. Ensuring that the Board's policies and programmes are implemented, both at an area wide and local level
- ix. Acting as a policy advisor to The Highland Council on matters relevant to the work of High Life Highland

1.3 Staffing

1.3.1 The following matters are reserved to the Board:-

- i. Appointment, appraisal and dismissal of the Chief Executive, where applicable
- ii. Approval of all High Life Highland policies relating to the employment of staff
- iii. Approval of any organisation restructuring which involves any voluntary or compulsory redundancy or early retirements

1.3.2 The Chief Executive is responsible for all other staffing matters, specifically:-

- i. The engaging and deployment of all staff in accordance with the appointments procedure provided that there is no increase in agreed staffing levels unless contained within agreed budgets
- ii. Managing High Life Highland's staff effectively having regard to statutory responsibilities including Health and Safety
- iii. Implementation of the policies and procedures as agreed by the Board
- iv. Organisational restructuring which does not involve voluntary or compulsory redundancy or early retirements
- v. Setting of terms and conditions of employment

1.4 Financial arrangements

1.4.1 The following matters are reserved to the Board:-

- i. Approval of the appointment of a banker
- ii. Approval of the writing-off of any debt in excess of £5K
- iii. Approval of outline and final business case for capital investment
- iv. Approval of all High Life Highland policies relating to financial arrangements
- v. Approval of the Financial Regulations and Contract Standing Orders
- vi. Any other matter that is of significant financial or reputational risk to the Board or any material issue of principle

1.4.2 The Chief Executive is responsible for all other financial matters, specifically:-

- i. Authorisation of cheques and transfers in accordance with Board approved bank Mandates as updated from time to time
- ii. Ensuring that financial management conforms to the Company's Financial Regulations and Contract Standing Orders
- iii. Implementation of the credit control policy
- iv. Maintenance of petty cash funds
- v. Collection of income and payment of expenditure
- vi. Implementation of the policies and procedures as agreed by the Board
- vii. Ensuring steps are taken to safeguard assets of the organisation
- viii. Ensuring that capital expenditure is planned and monitored continually so that High Life Highland's plans are actioned, including the prompt implementation of associated revenue elements
- ix. Ensuring expenditure is planned and monitored continually so that it is within approved estimates and meeting the outcome of the Business Plan

1.5 Procurement

1.5.1 The following matters are reserved to the Board:-

- i. Approval of all High Life Highland policies relating to procurement
- ii. Approval of any award of a contract/tender which exceeds £50K

1.5.2 The Chief Executive is responsible for all other purchasing matters, specifically:-

- i. Approval of any award of a contract/tender of £50K or less

- ii. Authorising contracts/appointments which have been approved by the Board
- iii. Implementation of the policy and procedures agreed by the Board

1.5.3 In the case of a tender approved by the Chief Executive in excess of £25K and which was not the lowest priced tender received, a report on the selection process should be made to the Board.

1.6 Income generation

1.6.1 The following matters are reserved to the Board:-

- i. Approval of all capital fund raising and associated income generation programmes

1.6.2 The Chief Executive is responsible for all other income generation matters, specifically:-

- i. Generating income growth opportunities for High Life Highland, presenting such proposals to the Board where there may be an associated financial or reputational risk to the company

1.7 Auditing and reporting

1.7.1 The following matters are reserved to the Board:-

- i. Approval of the annual report and audited financial statements
- ii. Appointment of internal auditor
- iii. Approval of the terms of reference and membership of the Finance and Audit Committee

1.7.2 The Chief Executive is responsible for all other auditing and reporting matters, specifically:-

- i. All responsibilities required of the accountable officer
- ii. Preparation of the annual report and financial statements
- iii. Preparation of the annual governance statement

1.8 Management of properties new to HLH or the return of property to owner

1.8.1 The following matters are reserved to the Board:-

- i. Approval of the commencement of management or acquisition of property in the ownership of bodies other than The Highland Council
- ii. The ceasing of management or disposal of property, approval of revised staffing arrangements and return of property to owners

1.8.2 The Chief Executive is responsible for all other property matters, specifically:-

- i. Approval of the commencement of management of property in the ownership of The Highland Council with the transfer of property being reported to the Board for information

- ii. The ceasing of management of property, approval of revised staffing arrangements and return of property to The Highland Council

2. Delegation of authority

2.1 In addition, the following matters are delegated to the Board's Committees, each of which will report to the Board:-

- i. The Finance and Audit Committee is responsible for those issues outlined in Articles 111-113 of the Memorandum and Articles of Association
- ii. The Nominations Committee is responsible for those issues outlined in Articles 114-117 of the Memorandum and Articles of Association
- iii. The Chief Executive's Performance Review Committee is responsible for (a) agreeing the annual performance objectives and targets for the Chief Executive; (b) agreeing an annual Personal Development Plan with the Chief Executive; (c) reviewing performance against the agreed objectives and targets with the Chief Executive, at least twice a year; and (d) considering if the Board should use an external independent facilitator to establish a performance management scheme in future.

2.2 The Chief Executive is not restricted from exercising his/her own delegation to his/her staff for any matter for which he/she is responsible. However, action taken under that authority must be taken in the name of the Chief Executive as relevant in that particular case and remains his/her responsibility.

2.3 The Chief Executive is accountable for the actions of all officers and volunteers taken on to assist the Company in meeting its aims and objectives.

3. Emergency/Urgent decisions

3.1 The Chief Executive is empowered to take emergency/urgent action on behalf of the Board in matters which would normally have been considered by the Board itself but where no meeting of the Board is available for that purpose. On all such occasions, he/she shall consult first with the Chair, or in his/her absence the Vice Chair, before taking action and shall seek endorsement of the action at the next Board meeting whilst in the meantime also reporting the action to Directors as quickly as practically possible.